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FISCAL IMPACT REPORT

ORIGINAL DATE 2/21/07

SPONSOR Fox-Young LAST UPDATED 2/22/07 HB 991

SHORT TITLE Lobbying Contracts for Certain Departments SB _____

ANALYST Wilson/Baca

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		(\$0.1)	(\$0.1)	(\$0.1)	Recurring	General Fund and various others

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Corrections Department (CD)

Department of Finance & Administration (DFA)

Office of the Attorney General (OAG)

SUMMARY

Synopsis of Bill

House Bill 991 prohibits an executive department created in Chapter 9 NMSA 1978, or an official with such a department, from contracting for lobbying services unless specifically authorized by law.

FISCAL IMPLICATIONS

Executive agencies that currently contract for lobbyists will not be permitted to do so and therefore the funding in these contracts will be a savings to those agencies. This will be balanced out by an increased need for agency personnel to lobby for important legislation to an agency.

SIGNIFICANT ISSUES

In the past, some executive agencies have hired persons under professional services agreements to perform "consulting" or "lobbying" services for the agencies. Usually, these would not be lobbying firms or businesses so much as individual persons. These individuals were either

knowledgeable in a particular area or once employees of the agency in question and so understand that agencies needs, requirements, etc. The passage of this bill would stop this practice.

DFA notes that this bill was apparently introduced in response to the pre-session flap concerning a lobbyist paid by the State Lottery Commission. It should be noted that the State Lottery Commission is not listed in Chapter 9 NMSA and the Commission would not be prohibited from paying a lobbyist pursuant to this bill. In fact, the contract was cancelled at the direction of the Governor. While it is not known how many state agencies routinely hire lobbyists, it is believed that several lobbyists are representing state agencies during the current session. DFA has been requested to submit a list of any and all agencies that employed lobbyists during the 2007 legislative session.

ADMINISTRATIVE IMPLICATIONS

DFA also notes that passage of this bill will make it necessary for agency personnel themselves to lobby for bills that their agencies wish to see passed or defeated. This will clearly have some impact on time spent away from the office for these personnel, although many of them likely already have such duties as part of their job requirements which will lessen any performance implications, of course.

QUESTIONS

- How widespread is the practice of state agencies hiring lobbyists?
- How does this compare with practices in other states?

DW/mt